

**CHAPTER NO. 651**

**HOUSE BILL NO. 2848**

**By Representatives Phelan, Williams, Lewis, Walley, McKee, Rinks, Ralph Cole, Rhinehart, Ronnie Cole**

**Substituted for: Senate Bill No. 2316**

**By Senators Cooper, Crutchfield**

AN ACT to amend Tennessee Code Annotated, Title 56, Chapter 5 and Title 56, Chapter 6, relative to rental car insurance.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF TENNESSEE:

SECTION 1. Tennessee Code Annotated, Section 56-6-138, is amended by inserting the following new item immediately preceding the final item and by redesignating the final item accordingly:

(8) Optional insurance sold in connection with and incidental to motor vehicle rental agreements for a period not to exceed ninety (90) days;

(A) The insurance which may be offered pursuant to this item shall be limited to the following:

(i) Personal accident coverage that provides protection for renters and other rental vehicle occupants, for accidental death or dismemberment, and for medical expenses resulting from an accident that occurs with the rental vehicle during the rental period;

(ii) Liability coverage that provides protection to renters and to other authorized drivers of rental motor vehicle for liability arising from the operation of the motor vehicle during the rental period. The liability protection, when purchased by a renter, shall be deemed to be primary over any other coverages which may be available to the renter or other authorized driver of the rental vehicle to the extent of the protection provided;

(iii) Personal effects coverage that provides protection to renters and other motor vehicle occupants for loss of, or damage to, personal effects in the rental motor vehicle during the rental period; and

(iv) Roadside assistance coverage.

(B) As used in this section, "motor vehicle" or "rental vehicle" means a motor vehicle of the private passenger type, including passenger vans, mini vans, and sport utility vehicles, and of the cargo type, including cargo vans, pickup trucks, and trucks with a gross vehicle weight of less than twenty-six thousand (26,000) pounds.

(C) Each limited insurance representative who makes application for, procures, negotiates or places for others, any coverage

pursuant to this subsection shall give to each renter who purchases the coverage brochures or other written material that:

(i) Summarize, clearly and correctly, the material terms and conditions of coverage offered to renters;

(ii) Identify the insurer;

(iii) Describe the process for filing a claim in the event the renter elects to purchase coverage;

(iv) State that the purchase of the coverage is not required in order to rent a vehicle;

(v) Disclose that the coverage offered by the limited insurance representative may provide a duplication of coverage already provided by a renter's personal automobile policy or by another source of coverage; and

(vi) Itemize the cost for the coverage separately.

SECTION 2. Tennessee Code Annotated, Section 56-5-302(5), is amended by adding the following new subdivision immediately following subdivision (E):

(F) Insurance sold in connection with and incidental to rental agreements for period not to exceed ninety (90) days.


SECTION 3. This act shall take effect upon becoming law, the public welfare requiring it.

**PASSED: April 3, 2000**

  
JIMMY RAIFEH, SPEAKER  
HOUSE OF REPRESENTATIVES

  
JOHN S. WILDER  
SPEAKER OF THE SENATE

**APPROVED this 10<sup>th</sup> day of April 2000**

  
DON SUNDQUIST, GOVERNOR